

SECTION 1.1 DESCRIPTION OF APPLICANT

(WAC 463-42-015)

1.1.1 APPLICANT

This application for a Site Certification Agreement (SCA) is made for the construction and operation of the Cross Cascade Pipeline. The Applicant for the SCA is the Olympic Pipe Line Company (OPL).

This application was professionally prepared by Dames & Moore, Inc. under the direction of OPL. The application is substantially complete and meets the requirements established in Chapter 80.50 RCW and Title 463 WAC.

1.1.2 OLYMPIC PIPE LINE COMPANY

OPL is a common carrier petroleum products pipeline company providing uniform transportation services to all qualified shippers that desire to utilize its facilities. OPL was established in 1961 as a Delaware stock corporation. The company is owned by Texaco Trading and Transportation Inc.¹ (TTTI) (37.5 percent), Atlantic Richfield Company (37.5 percent), and GATX Terminals Corporation (25 percent). The company is operated on a contract basis by Texaco Pipeline Inc., a subsidiary of TTTI. OPL ownership and operational affiliations are shown in Figure 1.1-1. A brief description of the affiliations is presented in Sections 1.1.3 through 1.1.5.

¹ Definitive agreements have been signed to form a partnership between certain Texaco Inc. and Shell Oil Company domestic downstream operations. Accordingly, TTTI ownership in OPL will be assigned to this new entity, Equilon Enterprises LLC. The operator will change from Texaco Pipeline Inc. to an Equilon affiliate. When and how the change will occur is not defined at this time.

FIGURE 1.1-1 - OLYMPIC PIPE LINE OWNERSHIP AFFILIATIONS

The current officers of OPL are as follows:

President:	W. N. Harris
Vice-President:	Frank Hopf, Jr.
Secretary:	P.J. McHugh
Treasurer:	B.M. Cormack

From 1992 through 1996, revenue from operations averaged \$32.8 million per year.

The company has a total of 67 employees. There are 63 full-time OPL employees and 4 management employees provided by Texaco Pipeline Inc. An organization chart for OPL is shown on Figure 1.1-2.

FIGURE 1.1-2 - ORGANIZATION CHART

Existing OPL Washington State Pipeline

OPL owns and operates a 400-mile product pipeline system in western Washington generally running parallel to Interstate 5. The original facilities of OPL, completed and placed in service in 1965, included 304 miles of 16-, 14-, 12-, 8-, and 6-inch pipelines extending from the refinery areas in Ferndale and Anacortes, Washington, south to Seattle, Tacoma, Olympia, and Vancouver, Washington, and Portland, Oregon. In December 1970, 6 miles of 12-inch line was placed in operation from Renton, Washington, to Seattle-Tacoma Airport (Sea-Tac). In 1972, the main line was extended north five miles from Ferndale to connect ARCO's Cherry Point Plant, and in 1974, a 76-mile, 20-inch pipeline was constructed parallel to the 16-inch main line from Allen to Renton.

Mobil Pipe Line Company operated OPL through July 31, 1989. Shell Pipe Line Corporation operated OPL from August 1, 1989, to June 30, 1991. As of July 1, 1991, Texaco Pipeline Inc. became operator of OPL under a contractual agreement with the shareholders.

Pipeline Regulations

Interstate petroleum product pipeline companies such as OPL have been regulated as common carriers since passage of the Hepburn Amendment to the Interstate Commerce Act in 1906. Originally, the responsibility for regulatory oversight of the pipelines rested with the Interstate Commerce Commission (ICC). When the Federal Energy Regulatory Commission (FERC) was established, this responsibility was transferred to the new agency. The pipelines are required to transport product for any qualified shipper and to uniformly charge shippers for service in accordance with approved tariffs. In order to be qualified, the shipper must demonstrate:

1. That they are financially responsible, and
2. That they have a minimum tender of product available at one of the pipeline's designated receipt points and a means for taking delivery at one of the pipeline's designated delivery points.

Design, construction, operation, and maintenance of these pipelines are regulated by the Federal Department of Transportation (DOT) and the Washington Utilities and Transportation Commission (WUTC).

Tariffs are approved by FERC for interstate shipments and by a designated state agency for intrastate movements. In the case of OPL, intrastate tariffs are approved by the WUTC.

1.1.3 TEXACO TRADING AND TRANSPORTATION INC

TTTI is a major subsidiary of Texaco Inc., one of the world's largest oil companies. (Also see Footnote 1 on page 1.1-1). Texaco, originally incorporated in 1926 as The Texas Corporation, has exploration, manufacturing, marketing and transportation operations all over the world and produces automotive gasoline and oils, aviation fuels, heating fuels, and petrochemicals (Hast, 1992). The corporation employs 38,000 and has annual sales exceeding \$33 billion (Standard and Poor's, 1995). TTTI is involved in crude oil marketing and the transportation of crude oil/refined products throughout the United States.

Texaco Pipeline Inc. (TPLI) is a subsidiary of TTTI and is responsible for all of its common carrier operations. TPLI will provide engineering, procurement, and construction management for the Cross Cascade Pipeline Project under its current contract with OPL.

Texaco Refining and Marketing Inc., another subsidiary of Texaco Inc., owns and operates an oil refinery at March Point near Anacortes, Washington. Texaco Refining and Marketing Inc. is a shipper in the OPL system. The refinery delivers petroleum products through a 16-inch pipeline owned and operated by OPL that originates at the Shell Refinery also located on March Point.²

1.1.4 ATLANTIC RICHFIELD COMPANY (ARCO)

The Atlantic Richfield Company was founded in 1870 as Atlantic Refining Company, merging with the Richfield Oil Corporation in the 1960s. ARCO is the eighth-largest oil company in the U.S., pioneered oil exploration in Alaska, and has interests in 20 foreign countries. The company employs 26,600 and has annual sales of more than \$16 billion (Standard and Poor's, 1995).

ARCO Transportation Company, a subsidiary of ARCO, owns and operates common carrier and proprietary pipelines throughout the United States. It also manages its parent company's interests in other transportation companies.

ARCO Products Company, another subsidiary of ARCO, owns and operates a refinery near Blaine, Washington. The ARCO Cherry Point Refinery is the originating point for the OPL 16-inch products line. ARCO Products Company is a shipper in the OPL system.

² The Texaco Refinery is also scheduled to be assigned to Equilon Enterprises LLC. The Shell Refinery will be sold.

1.1.5 GATX TERMINALS CORPORATION

In 1995, GATX Terminals Corporation acquired British Petroleum's 25 percent share of OPL. GATX Terminals Corporation is a subsidiary of GATX Corporation, Chicago, which provides more than \$4 billion of assets, including transportation equipment (primarily railroad tank cars), bulk liquid storage terminals, ships warehouses, commercial aircraft, and other capital assets world wide.

In addition to the ownership in OPL, GATX Terminals owns terminalling facilities in Seattle and Vancouver, Washington and Portland, Oregon. GATX Terminals owns and operates almost three million barrels of petroleum storage capacity in the Northwest.

1.1.6 POTENTIAL USERS OF CROSS CASCADE PIPELINE PROJECT

The following list includes the potential users of the Cross Cascade Pipeline Project. The list consists of current shippers on the existing OPL pipeline plus other qualified shippers (marked with an asterisk) who meet the requirements for shipping on the pipeline but have not shipped product.

Amoco Oil Company
ARCO Products Co.
Burlington Northern Santa Fe Railroad
Burns Brothers, Inc.
Cenex
Chevron USA Products
Conoco Inc.
EOTT Energy
Exxon Company, U.S.A.
GATX Terminals Corp.
McCall Oil Company
Mobil Oil Corporation
*New West Petroleum
Northridge Petroleum Marketing, Inc.
Pilot Corporation
Puget Sound Energy
Rainier Petroleum
*Reinhard Petroleum LLC
Shell Anacortes Refining Company
Southern Counties Oil
Space Age Fuel
Tesoro Refining & Marketing

Texacon International Aviation
Time Oil Company
Tosco Corporation
Total Petroleum Inc.
Tower Energy
U.S. Oil & Refining Co.
United Airlines
Western Petroleum Company
Wilson Oil Inc.
*Fuel Defense Command Center

* Meets requirements for shipping, but has not shipped product.

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